



**Rare Earths.  
Critical Minerals.  
High-tech Metals.**

**ASX Release**

30 January 2025

## **Quarterly Activities Report to 31 December 2024**

### **Key points**

**In line with Australian Strategic Materials' (ASM or the Company) (ASX: ASM) strategic business priorities, this Quarter, the Company:**

- Progressed the Dubbo Project Rare Earth Options Assessment to identify lower capital and shorter implementation pathways – exploring multiple options and achieving encouraging results from initial leaching testwork.
- Received initial instalment of A\$5M grant from the Federal Government's International Partnerships in Critical Minerals program in support of the Rare Earth Options Assessment.
- Delivered NdPr metal and NdFeB alloy to rare earth permanent magnet producers and continued development of heavy rare earth metallisation capability at the Korean Metals Plant.
- Maintained strong cash flow discipline across the business and a closing cash position of A\$32.6M.

## Dubbo Project

*The Dubbo Project is integral to ASM's mine to metals business, for the supply of rare earths and critical minerals.*

### Rare Earth Options Assessment

ASM has been investigating alternative lower capital and shorter implementation options to recover light (neodymium and praseodymium) and heavy (dysprosium and terbium) rare earth elements from the Dubbo Project (**RE Options Assessment**). A suitable option would enable a more focused completion of the Front End Engineering Design (**FEED**) work and present ASM with the opportunity to take a phased approach to the construction of the Dubbo Project.

As previously reported, in October 2024 ASM was awarded A\$5 million from the Australian Federal Government's International Partnerships in Critical Minerals (**IPCM**) Program.<sup>1</sup> The grant funding will be matched by ASM and used to support the RE Options Assessment. ASM has received an initial A\$2 million instalment from the IPCM Program to support the continuation of key workstreams including engineering, drilling, sampling and metallurgical testing.

A primary focus of the RE Options Assessment has been to explore atmospheric leaching options for the light and heavy rare earths in the Dubbo deposit. These options have included tank leach recovery and heap leach recovery – both of which would remove the requirement for an energy and capital-intensive roaster and accompanying infrastructure within the process flowsheet.

During the Quarter, testwork on both recovery methods was progressed. Leaching results to date have indicated a range of recoveries based on variations in ore mineralogy across the ore deposit. With initial testwork providing encouraging results, the Company will continue further testwork in Q1 of 2025. Testwork results will be used to update the existing mine plan and as an input into the economic assessment.



Above: Core Resources have been conducting testwork using multiple atmospheric leaching methods, including bottle roll tests (left) and tank leaching (right). Testwork will continue in Q1 2025.

<sup>1</sup> Refer to ASX Announcement, 15 October 2024: [ASM awarded A\\$5M Federal Government grant for Dubbo Project](#)

Further development work for the RE Options Assessment was conducted by DRA Global (**DRA**) and ANSTO (Australia's Nuclear Science and Technology Organisation) during the Quarter.

DRA has been engaged to scope the capex and opex engineering costs associated with the potential pathways identified by the RE Options Assessment. Scoping on the options was progressed during the Quarter and DRA will continue to support engineering and estimating work for alternative pathways in the coming months.

At ANSTO, development of a rare earth option flowsheet has continued. Bench scale testing of impurity removal and rare earth precipitation indicated excellent rejection of impurities from the intermediate rare earth carbonate, with improved solid-liquid separation. A 200kg bulk leach was carried out on a composite of 137 drill core intervals, followed by impurity removal and rare earth precipitation to provide a sample for testing of the rare earth purification and solvent extraction feed elements of the flowsheet. This testing will be conducted in the next Quarter.



Above: A 200kg bulk leach was carried out on a composite of 137 drill core intervals at ANSTO.

A pilot plant program at ANSTO will commence once outcomes for current testwork have been confirmed and a decision has been made on the preferred RE Options Assessment pathway. This program will assess the continuous operation of the flowsheet, culminating in the production of separated neodymium/praseodymium (**NdPr**), terbium (**Ty**) and dysprosium (**Dy**) oxides.

Testwork will continue in Q1 2025 as planned and the Company will update the market upon receipt of concluded results for any preferred RE Options Assessment pathways.

### Early establishment activities

Final deliverables for non-process infrastructure (**NPI**) work were completed by Bechtel Engineering during the Quarter. No further work is currently required until FEED commences.

Following the completion of laboratory testing and receipt of the results report, the geotechnical program conducted by Macquarie Geotechnical has now been finalised. These results will be used in the FEED phase of the project.

In addition, the solid residue storage facility design work was completed by Stantec during the Quarter.

## Caspin Option Agreement

As previously reported, during the Quarter Caspin Resources (**Caspin**) and ASM mobilised a drilling contractor to collect a dedicated sample from Caspin's Mount Squires rare earth project. The sample is to support work being conducted under the Option Agreement (**Agreement**) signed by the two companies in April 2024. The Agreement provides ASM with an option to earn up to 75% of the rare earth element rights at Mount Squires through staged earn in rights.<sup>2</sup>

A single drill hole was completed during the Quarter and new samples have been gathered for ore mineralisation characterisation and concentration testwork. This testwork will be carried out by Mineral Technologies in Q1 2025. ASM and Caspin have agreed to extend the initial option period to allow sufficient time to complete this testwork in Q1.

The Caspin opportunity aligns with ASM's mine to metals strategy to broaden its rare earth supply, particularly for high value heavy rare earths. Additionally, there is value in developing the Dubbo Project as a rare earth separation and refining hub for third party ore with the ability to unlock value for potential rare earth projects across Australia.

## Project funding and offtake

At the Company's Annual General Meeting (**AGM**) in November, Managing Director and CEO Rowena Smith highlighted the progress that ASM has made in relation to funding and offtake opportunities throughout 2024. A positive factor in this progress has been the development of strong government, both nationally and internationally. This has seen Australia establish and grow a number of strategic bilateral compacts with partners, including the US, Canada and the European Union.

This supportive policy environment, however, has been impacted by other market factors, including:

- evolving end user markets, e.g. slower than anticipated electric vehicle (**EV**) uptake;
- a shifting geopolitical landscape; and
- downward pressure on commodity prices.

The adoption of EVs – a key driver of rare earths and rare earth magnet demand – has been uneven. While strong growth is anticipated mid- to long-term, short-term adoption has varied. Factors have included charging infrastructure, high costs, and varying government incentives, causing some consumer hesitation, particularly outside China (where policies and subsidies have boosted demand). Similarly, wind energy sector growth, another significant consumer of rare earths, has been hindered by slow permitting processes, land use conflicts, and grid integration issues, impacting short-term demand growth despite global renewable energy goals.

Geopolitical shifts have added further complexity to the market. Tightened Chinese export controls on critical minerals such as gallium, germanium and antimony, and rare earth processing technologies, coupled with global conflicts and widespread elections, have created market uncertainties. This has led to a 'wait and see' approach and generally cautious investment decisions across key markets including the US, Europe, and Asia.

---

<sup>2</sup> Refer to ASX Announcement, 10 April 2024: [Option Agreement executed with Caspin Resources](#)

These dynamics, along with excess supply and inventory levels in China, have contributed to softer rare earth prices, including neodymium and praseodymium.

It is in this context that ASM continued to explore and progress funding opportunities during the Quarter – notably in the key geographies of Australia, Korea, the US and Europe.

ASM held meetings with potential investors, partners and government agencies across these jurisdictions and attended major industry and investor-focused events, including the International Rare Earth Conference in Washington DC, the International Mining and Resources Conference (**IMARC**) in Sydney and Resourcing Tomorrow in London.

Following extensive and positive engagement in the US, ASM has been encouraged to submit a third whitepaper to the Department of Defense (**DoD**) for potential grant funding to build a second metals plant in the US. ASM has been exploring locations for a potential plant, engaging with state-based government agencies to identify the most compelling strategic and competitive incentives. ASM intends to submit its whitepaper to the DoD for funding for a second metals plant in the US this Quarter.

Also in North America, the Company progressed discussions with the US Export Import Bank (**USEXIM**) and Export Development Canada (**EDC**). Both export banks have provided letters of interest to ASM in support of the construction phase of the Dubbo Project.<sup>3</sup>



Above, L-R: NSW Minister for Natural Resources the Hon Courtney Houssos, Federal Minister for Resources the Hon Madeleine King, ASM Managing Director & CEO Rowena Smith, and ASM Chief Legal & External Affairs Officer Annaliese Eames at IMARC in Sydney.

Positive engagement also continued with official government and trade entities in Australia and Korea as ASM targeted further funding (including equity) support options. Discussions with Export Finance Australia, the National Reconstruction Fund, the Korea Trade Investment Promotion Agency (**KOTRA**) and the Export Import Bank of Korea (**KEXIM**) were all progressed during the Quarter.

ASM and KCF Energy Co. Ltd (KCF) have agreed to extend the revised framework agreement until 30 June 2025.

<sup>3</sup> Refer to ASX Announcements, 21 March 2024: *ASM receives US\$600M (A\$923 million) Letter of Interest from US EXIM for Dubbo Project, as US partnerships begin to play a significant role*; and 26 April 2024: *Growing North American support builds momentum for Dubbo Project funding process*

## Korean Metals Plant

The Korean Metals Plant (**KMP**) is an integral part of ASM's mine to metals business: producing high-tech metals.

### Safety

There were no reportable safety incidents recorded during the Quarter and the year to date. Lost Time Injury Frequency Rate remains at zero.

### Neodymium iron boron strip alloy

In December 2024, management from USA Rare Earth LLC (**USARE**) – including newly appointed Chief Executive Officer Joshua Ballard – visited the KMP.

ASM signed a five-year binding sales and tolling framework agreement (**Framework Agreement**) for the supply of neodymium iron boron (**NdFeB**) alloy to USARE in August 2023.<sup>4</sup> The Framework Agreement secured the majority of USARE's metal and alloy requirements for the production of high-performance rare earth magnets for the term of the contract.

Subsequent to 31 December 2024, USARE announced it had successfully produced its first batch of sintered permanent rare earth magnets at its new Innovations Lab currently under development in Stillwater, Oklahoma.<sup>5</sup> ASM is continuing to work with USARE to meet their NdFeB strip alloy supply requirements to align with the development and ramp-up of the Stillwater facility. USARE anticipate commercial magnet production at the Stillwater facility to commence in 2026.



Above: Members of the USARE management team, including newly appointed Chief Executive Officer Joshua Ballard, visited the KMP in December 2024. USARE announced it successfully produced its first batch of sintered permanent rare earth magnets in January 2025.

<sup>4</sup> Refer to ASX Announcement, 3 August 2023: [ASM signs long-term metal sales and tolling framework agreement with USA Rare Earth](#)

<sup>5</sup> Refer to Announcement, 7 January 2025 : [USA Rare Earth Successfully Produces Its First Sintered Rare Earth Magnets](#)

During the Quarter, ASM delivered 475kg of NdFeB strip alloy to customer Noveon Magnetics Inc. (**Noveon**). The batch cleared customs in December and was delivered to Noveon as part of the commercial batch testing to complete the current product validation process. Noveon has advised that testing using this sample will occur in Q1 2025.

Following successful product validation with a potential new customer in Europe, ASM has continued to actively engage to identify potential sales opportunities. Discussions continue on these opportunities and other competitive processes that ASM has participated in, and ASM will update the market on any binding agreements made.



Above: A 475kg batch of NdFeB strip alloy was delivered to Noveon Magnetics as part of the product validation process.

### **Neodymium praseodymium metal**

During the Quarter, ASM concluded a contract for the sale of 19 tonnes of NdPr metal. This metal was produced during the KMP's early commissioning and has been sold to an established magnet producer at a discount to current market price. The first five tonnes were delivered under that contract during the Quarter, with the remaining volumes scheduled for delivery during Q1 2025. ASM is now engaged in further discussions in relation to potential sales of metal.

With their existing inventory addressing their current requirements, ASM's established Korea-based customer, KCM (a subsidiary of NS World), was unable to take receipt of a first delivery of NdPr metal during the Quarter. ASM remains ready to work with KCM to implement a delivery schedule to meet their production requirements.

### **KMP feedstock supply**

ASM continues to engage with potential rare earth oxide suppliers in the EU and US. The commercial batch testing of a product sample from Europe will be scheduled when the KMP's production schedules are confirmed. The KMP currently has sufficient inventory to meet confirmed production and contracted delivery requirements.

### **Metallisation technology**

Installation of a larger scale metallisation furnace was completed during the Quarter. The furnace will be utilised to produce pure heavy rare earth metals (Dy and Tb). The cold commissioning of this equipment was

completed subsequent to the end of CY 2024 and the team is now preparing for hot commissioning and trial production of Dy and Tb metal.

Commercial production capability of heavy rare earth metal in 2025 remains a strategic focus for the KMP, as this will address the growing demand for diversification of the heavy rare earth metal global supply chain to ensure economic and geopolitical security and reduce dependence on a single dominant supplier.

Following installation of the titanium (**Ti**) powder electro refiner, cold and hot commissioning was completed. During the Quarter ~5kg of Ti powder was produced, which is now being post-production treated to evaluate and analyse the sample.

As the team prioritised electro refiner commissioning, copper titanium (**CuTi**) trials were deferred during the Quarter.

### **Accreditations**

The KMP underwent re-certification audits for ISO9001 (Quality Management Systems) and ISO14001 (Environmental Management System) in October, with no non-conformities identified – ensuring the continuation of both certifications.

The first surveillance audit for IATF 16949 (Quality Management System) accreditation was conducted in November 2024. No material non-compliances were identified and the certification was successfully maintained.



## ESG

*ASM wants to leave a legacy that delivers enduring benefits to the communities and regions where it operates.*

ASM has set an objective to adopt Towards Sustainable Mining (**TSM**) – a globally recognised accountability framework which supports minerals companies to evaluate, manage and communicate their site-level sustainability performance. Adopting the independently verified system reinforces the sector and ASM’s commitment to continual improvement in safety, the environment and social governance.

During the Quarter, ASM continued to implement the steps to achieve TSM compliance by concluding a self-assessment process – supported by KPMG.

ASM also began preparation for its Morningstar Sustainalytics Public Assessment, which is scheduled to be conducted in Q1 2025.

## Corporate

ASM held its Annual General Meeting (**AGM**) on 26 November 2024. The event was conducted in person in Perth, Western Australia and webcast live for remote viewing. All proposed resolutions were strongly approved by shareholders. All Board members were present at the meeting and Ms Smith provided the Managing Director and CEO presentation.

The complete AGM, along with Ms Smith's presentation and accompanying slides, is available on the [ASM website](#).

## Community

*ASM is committed to establishing strong and positive relationships with the communities where we operate. We want to work together to build resilient communities and return a positive, lasting legacy.*

### Orana Youth Forum

In November, ASM participated in the inaugural Orana Youth Forum. The event brought together more than 200 young people from around the Orana region to hear from business, industry leaders, universities, and training providers about the jobs and career paths of the future.

ASM and Toongi Pastoral Company (TPC) took an exhibition booth alongside more than 30 other organisations – all showcasing the many opportunities available in a range of industries. Organised by Regional Development Australia Orana (RDA Orana), the Youth Forum targeted students in years 10, 11 and 12, with the objective of addressing the unique challenges faced by young people in today's competitive job market and inspiring them in their decision-making.

TPC's General Manager Farming, Fergus Job, was on hand to speak to participants and provide insight into the work conducted at TPC and the planned operations at the Dubbo Project.

Below: ASM and TPC participated in the inaugural Orana Youth Forum in Dubbo. The event saw more than 200 young people from around the Orana region hear from business, industry leaders, universities and training providers about the jobs and career paths of the future.



### Macquarie Agricultural Pathways Program

During the Quarter, ASM and TPC were delighted to recognise the third year of graduates from the Macquarie Agricultural Pathways Program (MAPP). ASM has been working with the Macquarie Anglican Grammar School in Dubbo to support the program since 2022.

The program aims to assist students in transitioning what they learn in the classroom into the real world, and to develop the skills necessary for employment in the agriculture sector directly, or to prepare for entry into Tertiary-based programs.

Once again, this year's cohort undertook a range of hands-on learning experiences supported by the ASM and TPC teams. As an additional part of the 2024 program, the students participated in Fire Cadet training, supported by the NSW Rural Fire Service (**NSW RFS**). This additional aspect of the course provided participants with the opportunity to learn new and valuable skills that promote leadership, teamwork and initiative, foster community responsibility and service, and provide practical life skills.



Above: The third year MAPP graduates had the opportunity to participate in Fire Cadet training, supported by the NSW Rural Fire Service.

### Government engagement

Federal Minister for Resources the Hon Madeleine King MP visited the Dubbo Project in October to formally announce the A\$5 million grant funding awarded to ASM via the International Partnerships in Critical Minerals Program. Minister King was joined by the Hon Mark Coultou MP, Federal Member for Parkes, and the two toured the Toongi deposit and processing plant site alongside ASM's Chief Operating Officer Chris Jordaan and TPC's Fergus Job.

In November, Mr Coultou returned to the Dubbo Project with Shadow Minister for Trade and Tourism and Federal Member for Page, the Hon Kevin Hogan MP.

These engagements at state and federal levels continue to demonstrate the national importance of the Dubbo Project and alignment with the Government's critical minerals strategy.

## Community Consultation Committee

ASM's Community Consultation Committee (**CCC**) is a critical channel for engagement and cooperation between ASM and our community partners and stakeholders.

The last meeting of 2024 was held on 31 October, when Fergus Job, General Manager Farming at TPC and Luke Tomlin, representing the Dubbo Field Naturalist & Conservation Society, were formally welcomed as new members to the CCC. Subsequent to the end of the Quarter, Councillor Richard Ivey and Councillor Kate Richardson from Dubbo Regional Council were also confirmed as CCC members, replacing previous member Councillor Shibli Chowdhury.

The CCC facilitates communications about mine operations and environmental performance, providing a forum for open discussion between ASM and the community. Minutes from all CCC meetings are available on the [ASM website](#).

## Market Outlook

Although headline EV sales in markets such as Germany and Japan may have been disappointing in 2024, at an OEM level both Ford and General Motors achieved record sales for EVs (2.7 million and 2.1 million vehicles respectively). Looking ahead, news that Hyundai plans to invest \$16.6 billion in South Korea to boost growth in 2025 – with \$8.2 billion of this allocated to ramping up domestic EV production and improve manufacturing – is a positive development for the ex. China supply chain. Meanwhile in Europe, OEMs will be incentivised to produce more EVs this year as a result of tightening CO<sub>2</sub> emissions regulations, with fleet target limits due to fall by 19%.

In China, following legislation that was enacted in December to control the export of around 700 dual-use items (namely those that can be used for both civilian and military purposes) the government issued an immediate suspension effective the beginning of 2025 to 28 US defense-related companies. With both compounds of zirconium and hafnium on this list the implications could be far reaching, especially in the hafnium market where the nuclear and aerospace industries are significant demand segments.

## NdFeB

REE prices increased again in the third quarter, rising by an average of 0.7%<sup>6</sup> q/q for oxides and 0.1% q/q for metals. Latest available data shows that wind power installations in China reached 6.7GW in October, a 21% m/m and 74% y/y increase, continuing the build out of capacity that saw the country's installed renewable energy generating capability surpass that of coal power in 2024. Simultaneously, wind installations in the US rose by 32% m/m in October. Depending on the drive system employed, each MW of wind power requires between ~100 – 700kgs of NdFeB magnets.

Prices for high grade NdFeB alloys were on average 2.2% lower than those for the September Quarter, declining into the end of the year. However, market commentators expect a recovery in activity to start early in 2025 due to an increase in short-term purchasing by metal and magnet manufacturers around Chinese New Year at the end of January.

## Zirconia

Zirconia prices rose for much of the Quarter before falling back in the final fortnight of the year to finish 2024 at \$2,035/t.<sup>7</sup> Consultancy TZMI expects that demand for zircon, the primary source of zirconium units, will grow by 2.5% led by usage in applications for zirconia and specialty chemicals. This strength is expected to continue into the medium term with a CAGR of 4.6% between 2024 and 2028, the strongest of all end-use segments.

## Hafnium

Hafnium prices in Europe fell back under \$4,000/kg for the first time in almost two years, finishing December at \$3,950/kg. Nonetheless, prices remain well in excess of long run historical averages. Analysts have opined that rising demand following the pandemic from the semiconductor and aerospace sectors is likely to have been met by a combination of accumulated inventories and Chinese exports. However, with tightening

---

<sup>6</sup> All figures for rare earth materials are from/derived from Adamas Intelligence

<sup>7</sup> All figures for zirconia, hafnium and niobium are from/derived from Argus Non-Ferrous Markets

controls on the latter already acting to support prices, the impact of the ban on dual-use exports to 28 US companies will further disrupt trade flows.

### **Niobium**

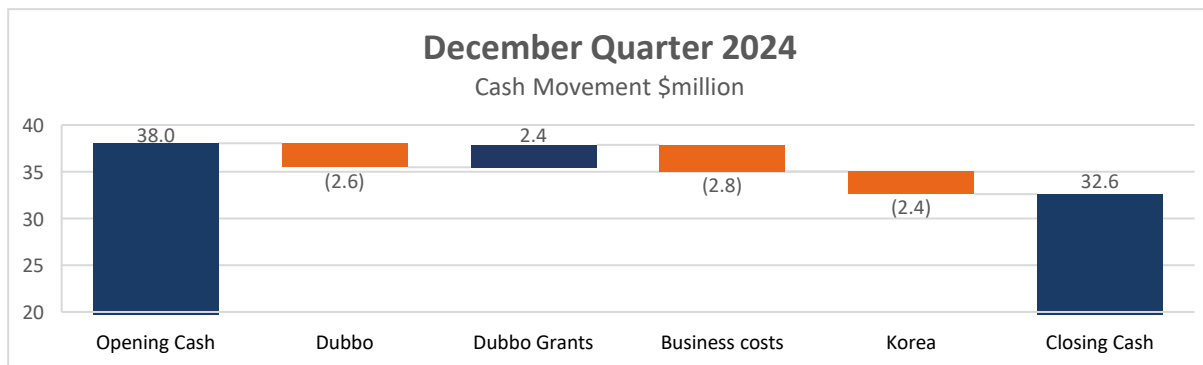
Niobium ingot prices in Europe finished the year at \$95/kg, close to multi-year highs due to strong demand from the defence and aerospace industries, where niobium-based super alloys have a number of applications due to their strength at extreme temperatures. The most prevalent of these is C-103 used in jet engine afterburners, hypersonics and satellite components and which typically contains 89% niobium, 10% hafnium and 1% titanium.

## Finance

### Cash

ASM's cash position as at 31 December 2024 was \$32.6 million. The following waterfall chart highlights cash movements during the quarter, including:

- ◆ \$2.6M of investment in the Dubbo Project, including engineering, metallurgical and Bechtel NPI study activities.
- ◆ \$2.4M grants received for the Dubbo Project including a \$2M grant installment from the Australian Federal Government's International Partnerships in Critical Minerals program.
- ◆ \$2.9M of business costs relating to business development, marketing and administration.
- ◆ \$2.4M of Korean expenditures are principally related to inventory, administrative, and personnel costs, net of Korean Government grant funding and sales.



### Banking Facilities

During the quarter ended 30 June 2024, the Group executed two Korean loan facilities totalling ₩15 billion Korean Won (A\$16.6m) refinancing existing Korean loan facilities associated with the Group's Korean Metals Plant (**KMP**). ASM commenced refinance discussions with the banks during the Quarter. For further details on these facilities, please refer to Appendix 5B, item 7.

## Mining Tenements

Australian Strategic Materials Limited confirms the following information as of 31 December 2024 (as required by ASX Listing Rule 5.3.3).

Tenements	Mining tenements acquired during the quarter	Mining tenements disposed of during the quarter	Mining tenements held at the end of the quarter	Tenement location
EL 5548	N/A	N/A	100%	Dubbo NSW
EL 7631	N/A	N/A	100%	Dubbo NSW
ML 1724	N/A	N/A	100%	Dubbo NSW

No exploration or other mining activities have occurred for the Quarter (as required by ASX Listing Rule 5.3.1).



## Glossary

<b>AGM</b>	Annual General Meeting
<b>ANSTO</b>	Australian Nuclear Science and Technology Organisation
<b>ASM or Company</b>	Australian Strategic Materials Limited
<b>Bechtel</b>	Bechtel Australia Pty Ltd
<b>CFO</b>	Chief Financial Officer
<b>CuTi</b>	Copper titanium
<b>CY</b>	Calendar year
<b>DoC</b>	US Department of Commerce
<b>DoD</b>	US Department of Defense
<b>DoE</b>	US Department of Energy
<b>ESG</b>	Environmental, Social, Governance
<b>EU</b>	European Union
<b>EV</b>	Electric vehicle
<b>FEED</b>	Front-end engineering design
<b>FID</b>	Final investment decision
<b>FY</b>	Financial year
<b>FeNB</b>	Ferroniobium
<b>FEOC</b>	Foreign Entity of Concern
<b>GHG</b>	Greenhouse gas emissions
<b>IMARC</b>	International Mining and Resources Conference
<b>IRA</b>	Inflation Reduction Act
<b>KCF</b>	KCF Energy Co. Ltd
<b>KMP</b>	Korean Metals Plant
<b>KSMM</b>	Korean Strategic Materials Metals
<b>KSMT</b>	Korean Strategic Materials Technology
<b>LoI</b>	Letter of Interest
<b>LTIFR</b>	Lost time injury frequency rate
<b>MAPP</b>	Macquarie Agricultural Pathway Program
<b>NDAA</b>	National Authorization Act
<b>Nd</b>	Neodymium
<b>NdFeB</b>	Neodymium iron boron
<b>NdPr</b>	Neodymium praseodymium
<b>NPI</b>	Non-process infrastructure
<b>REE</b>	Rare earth element
<b>SRSF</b>	Solid residue storage facility
<b>Ti</b>	Titanium
<b>TPC</b>	Toongi Pastoral Company
<b>TZMI</b>	TZ Minerals International Pty Ltd
<b>US EXIM</b>	Export-Import Bank of the United States
<b>ZBC</b>	Zirconia basic carbonate
<b>ZBS</b>	Zirconia basic sulphate
<b>ZrO2</b>	Zirconia dioxide

## Forward looking statements

This report contains certain statements which constitute “forward-looking statements”. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “plan”, “believes”, “estimate”, “anticipate”, “should”, “could”, “may”, “will”, “predict”, “plan”, “forecast”, “likely”, “future”, “project”, “opinion”, “opportunity”, “intend”, “target”, “propose”, “to be”, “foresee”, “aim”, “outlook” and “guidance”, or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated production and production potential; estimates of future capital expenditure or construction commencement dates; expected costs or production outputs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. While these forward-looking statements reflect the Company’s expectations at the date of this report, they are not guarantees or predictions of future performance or statements of fact. The information is based on the Company forecasts and as such is subject to variation related to, but not restricted to, economic, market demand/supply and competitive factors.

A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including known and unknown risks. These factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development, general mining and development risks, closure and rehabilitation risks, changes to the regulatory framework within which the Group operates or may in the future operate, environmental conditions and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation. Forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions, and other important factors (many of which are outside the control of the Company) that could cause the actual results, performances or achievements of the Company to differ materially from future results, performances or achievements expressed, projected or implied by such forward-looking statements.

Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Except as required by applicable laws or regulations, the Company does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. The Company cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate.

Information on likely developments in the Group’s business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to the Group (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included below in this report. The categories of information omitted include forward-looking estimates and projections prepared for internal management purposes, information regarding the Company’s operations and projects, which are developing and susceptible to change, and information relating to commercial contracts.

Readers should consider the forward-looking statements contained in this report in light of those risks and disclosures. Neither the Group, nor any of its directors, officers, employees, agents or advisers makes any representation or warranty, express or implied as to the accuracy, likelihood of achievement or reasonableness of any forward looking statement contained in this report. Except as required by law or regulation (including the ASX Listing Rules), none of the Group, nor any of its directors, officers, employees, agents or advisers undertakes any obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events, results or other factors affect the information contained in this report.

This ASX announcement was authorised on behalf of the ASM Board by: Rowena Smith, Managing Director & CEO.

**- ENDS -**

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report.

Name of entity	
Australian Strategic Materials Ltd	
ABN	Quarter ended ("current quarter")
90 168 368 401	31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	695	924
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(1,006)	(1,647)
(d) staff costs	(3,580)	(7,203)
(e) administration and corporate costs	(2,078)	(4,427)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	418	930
1.5 Interest and other costs of finance paid	(10)	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,088	1,576
1.8 Other (provide details if material)	151	207
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,322)</b>	<b>(9,655)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(634)	(1,283)
(d) exploration & evaluation	(2,776)	(5,896)
(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	3	3
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	<i>Government grants and tax incentives</i>	2,390	2,390
	<i>Payments for biological assets</i>	(5)	(47)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,022)</b>	<b>(4,833)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(82)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(239)	(493)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(239)</b>	<b>(575)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	38,043	47,603
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,322)	(9,655)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,022)	(4,833)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(239)	(575)
4.5	Effect of movement in exchange rates on cash held	143	63
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>32,603</b>	<b>32,603</b>

<b>5.</b>	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,103	8,043
5.2	Call deposits	24,500	30,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>32,603</b>	<b>38,043</b>

<b>6.</b>	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	484
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*During the quarter ended 31 December 2024, item 6.1 cash payments totalled \$484,000. These payments included Director's fees, travel, consulting and superannuation. Other related parties' payments included \$147,000 paid to Alkane Resources Limited for personnel and office services.*

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																					
7.1 Loan facilities	16,391	16,391																					
7.2 Credit standby arrangements	-	-																					
7.3 Other (please specify)	-	-																					
7.4 <b>Total financing facilities</b>	-	-																					
7.5 <b>Unused financing facilities available at quarter end</b>		-																					
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																							
<p><i>The Group holds two Korean Won (₩) loan facilities with the Korea Development Bank and Hana Bank in South Korea. Details of each facility are outlined below:</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">KDB Industrial Facility - Opex</th> <th style="text-align: center;">Hana Bank Industrial Facility - Opex</th> </tr> </thead> <tbody> <tr> <td>Facility amount</td> <td style="text-align: right;">₩ 12,000,000,000</td> <td style="text-align: right;">₩ 3,000,000,000</td> </tr> <tr> <td>Amount drawn</td> <td style="text-align: right;">₩ 12,000,000,000</td> <td style="text-align: right;">₩ 3,000,000,000</td> </tr> <tr> <td>Repayment date</td> <td style="text-align: center;">10 June 2025</td> <td style="text-align: center;">30 May 2025</td> </tr> <tr> <td>Lender</td> <td style="text-align: center;">KDB Bank</td> <td style="text-align: center;">Hana Bank</td> </tr> <tr> <td>Interest</td> <td style="text-align: center;">6.32% - fixed KDB industrial financial debenture rate (on date of transfer) + 3.08% pa.</td> <td style="text-align: center;">3.587% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 0.328% pa.</td> </tr> <tr> <td>Security</td> <td style="text-align: center;">Secured</td> <td style="text-align: center;">Unsecured</td> </tr> </tbody> </table>				KDB Industrial Facility - Opex	Hana Bank Industrial Facility - Opex	Facility amount	₩ 12,000,000,000	₩ 3,000,000,000	Amount drawn	₩ 12,000,000,000	₩ 3,000,000,000	Repayment date	10 June 2025	30 May 2025	Lender	KDB Bank	Hana Bank	Interest	6.32% - fixed KDB industrial financial debenture rate (on date of transfer) + 3.08% pa.	3.587% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 0.328% pa.	Security	Secured	Unsecured
	KDB Industrial Facility - Opex	Hana Bank Industrial Facility - Opex																					
Facility amount	₩ 12,000,000,000	₩ 3,000,000,000																					
Amount drawn	₩ 12,000,000,000	₩ 3,000,000,000																					
Repayment date	10 June 2025	30 May 2025																					
Lender	KDB Bank	Hana Bank																					
Interest	6.32% - fixed KDB industrial financial debenture rate (on date of transfer) + 3.08% pa.	3.587% - 6 months variable KDB 6-month financial debenture rate (on date of transfer) + 0.328% pa.																					
Security	Secured	Unsecured																					

8. Estimated cash available for future operating activities	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(4,322)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,776)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(7,098)
8.4 Cash and cash equivalents at quarter end (item 4.6)	32,603
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	32,603
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.6
<p><i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>	

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.